

STATE BUDGET AND CONTROL BOARD

REGULAR SESSION

MEETING OF January 31, 2008

ITEM NUMBER 5

AGENCY: Procurement Services Division

SUBJECT: Waiver to Extend the Maximum Time on a Multi-term Contract for Francis Marion University

Section 11-35-2030(4), of the SC Consolidated Procurement Code limits the maximum time for any multi-term contract to five years unless otherwise approved by the Board. Francis Marion University has asked the Materials Management Office to seek Board approval to authorize Francis Marion to contract for up to ten (10) years for its food service operations. Francis Marion officials believe a contract term of ten years will give the selected contractor greater ability to invest in improvements to the Ervin Dining Hall, which has not been renovated since it was opened in 1985, and to improve the quality of campus food service. Francis Marion has expanded its residence facilities in both 2004 and 2007, requiring the dining facility to support an additional 427 students. Francis Marion estimates capital investment by the contractor of \$1.5 million.

BOARD ACTION REQUESTED:

Under authority of SC Consolidated Procurement Code Section 11-35-2030(4), grant Francis Marion University's request for a multi-term contract for food service operations and authorize the solicitation of proposals and award of a contract for up to ten (10) years.

ATTACHMENTS:

Agenda item worksheet; Letter of request from Francis Marion; Section 11-35-2030(4) of the SC Consolidated Procurement Code

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

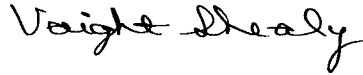
Meeting scheduled for: January 31, 2008

Regular Agenda

Submitted by:

(a) Agency: Procurement Services Division

(b) Authorized Official Signature:



R. Voight Shealy, Materials Management Officer

2. **Subject:** Waiver to extend the maximum time on a multi-term contract for Francis Marion University

3. **Summary Background Information:**

Section 11-35-2030(4), of the SC Consolidated Procurement Code limits the maximum time for any multi-term contract to five years unless otherwise approved by the Board. Francis Marion University has asked the Materials Management Office to seek Board approval to authorize Francis Marion to contract for up to ten (10) years for its food service operations. Francis Marion officials believe a contract term of ten years will give the selected contractor greater ability to invest in improvements to the Ervin Dining Hall, which has not been renovated since it was opened in 1985, and to improve the quality of campus food service. Francis Marion has expanded its residence facilities in both 2004 and 2007, requiring the dining facility to support an additional 427 students. Francis Marion estimates capital investment by the contractor of \$1.5 million.

4. **What is Board asked to do?**

Under authority of SC Consolidated Procurement Code Section 11-35-2030(4), grant Francis Marion's request for a multi-term contract for food service operations and authorize the solicitation of proposals and award of a contract for up to ten (10) years.

5. **What is recommendation of Board division involved?** As stated in Item 4. above.

6. **Recommendation of other office (as required)?**

(a) Authorized Signature: _____

(b) Division/Agency Name: _____

7. **List of supporting documents:**

(a) Letter of request from Francis Marion

(b) Section 11-35-2030(4) of the SC Consolidated Procurement Code



FRANCIS MARION UNIVERSITY

John J. Kispert
Vice President for
Business Affairs

January 10, 2008

Mr. Delbert Singleton, Jr., Esq.
Division Director and Secretary of the S.C Budget and Control Board
1201 Main Street, Suite 600
Columbia, S.C. 29201

Dear Mr. Singleton:

Francis Marion University recently submitted a requisition and draft RFP to the Materials Management Office for the management and operations of dining services at Francis Marion University. We are currently in the seventh year of a contract with Sodexo Campus Services. This contract expires in August 2008.

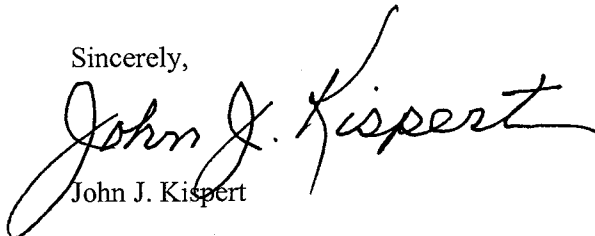
The draft RFP includes language requesting that each vendor submit proposed design methodology and funding for needed renovations in the Ervin Dining Hall as part of their proposal submission. That language reads in part: "As part of your proposal state the amount of support for the new construction and/or renovation your company will provide. The investment would begin in summer 2009".

This dining facility has not been renovated since it was opened in 1985 and the need for modernization has significantly increased with recent expansions of student housing in both 2004 and 2007, requiring it to support an additional 427 students. While we don't know at this point what amount of capital investment might be offered by the highest ranked offeror, we expect the investment to be substantial, estimated at \$1.5 million over the term of the contract.

It is my understanding that approval for a ten-year extended term requires the approval of the Budget and Control Board. In order to solicit the best financial and service arrangement for the state and the university we respectfully request that you place this item on the agenda for the meeting scheduled for Thursday, January 31, 2008.

Thank you for your consideration of this request and please contact me at (843) 661-1201 if you need any further information.

Sincerely,



John J. Kispert

C: Mr. Voight Shealy, Chief Procurement Officer - MMO

EXCERPT FROM THE CONSOLIDATED PROCUREMENT CODE

SECTION 11-35-2030. Multi-term contracts.

(1) Specified Period. Unless otherwise provided by law, a contract for supplies, services, or information technology must not be entered into for any a period of more than one year unless approved in a manner prescribed by regulation of the board. The term of the contract and conditions of renewal or extension must be included in the solicitation and funds must be available for the first fiscal period at the time of contracting. Payment and performance obligations for succeeding fiscal periods must be subject to the availability and appropriation of funds for them.

(2) Determination Prior to Use. Before the utilization of a multi-term contract, it must be determined in writing by the appropriate governmental body that:

- (a) estimated requirements cover the period of the contract and are reasonably firm and continuing; and
- (b) such a contract serves the best interests of the State by encouraging effective competition or otherwise promoting economies in state procurement.

(3) Cancellation Due to Unavailability of Funds in Succeeding Fiscal Periods. When funds are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal period, the contract must be canceled.

(4) The maximum time for a multi-term contract is five years. Contract terms of up to seven years may be approved by the designated board officer. Contracts exceeding seven years must be approved by the board.